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No.

IN THE

Supreme Court of the United States

October Term, 1983

MARVIN I. MAY,

Petitioner,

vs.

AMERICAN SOUTHWEST WATERBED DISTRIBUTORS, INC.,
and FRANK LUCAS,

Respondents.

**Petition for a Writ of Certiorari
to the United States Court of
Appeals for the Fifth Circuit.**

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Questions Presented.

1. Should the standards set forth in the Supreme Court case of *Graham v. John Deere Co.* be modified in view of their seventeen year history?
2. Should the issue of obviousness be considered a mixed question of fact and law similar, for example, to the issue of negligence?
3. Does the current interpretation of the *Deere* standards, as evidenced by the courts below, improperly deny the right to trial by jury?
4. Does the current interpretation of the *Deere* standards result in discrimination against individual inventors?

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Opinions Below.

The opinion of the Court of Appeals for the Fifth Circuit in this case is reported at 715 F.2d 876 and is also unofficially reported in the United States Patent Quarterly at 219 U.S.P.Q. 862. The opinion of the District Court, which is incorporated in its entirety in the opinion of the Court of Appeals, is also reported unofficially at 218 U.S.P.Q. 433.

Jurisdiction.

The judgment of the Court of Appeals for the Fifth Circuit is dated September 26, 1983. A Petition for Rehearing and Suggestion for Rehearing en banc were denied October 24, 1983. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

Constitutional Provisions and Statutes Involved.

Constitution, Art. I, Section 8, Clause 8:

"The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries;"

Constitution, Amendment VII:

"In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law."

35 U.S.C. §103 provides:

"A patent may not be obtained though the invention is not identically disclosed or described as set forth in Section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

Statement of the Case.

On August 10, 1976, Patent No. 3,973,282 (the '282 patent), was issued to plaintiff Marvin I. May, covering a safety liner holder for a waterbed. May developed the invention of the patent in response to one of the most serious problems of the waterbed industry, the need to reliably contain leakage of 200 gallons of water from a damaged or overflowing water mattress. Prior to Mr. May's invention, a variety of methods had been employed, some involving means for securing a plastic liner to the waterbed frame, others involving other forms of containment. However, none of these proved satisfactory and the industry (including de-

defendants) continued to experiment with new and different methods. Mr. May's invention, which required about six months of development and experimentation, was extremely well received in the industry and soon became standard equipment on beds sold by many retailers and wholesalers. It permitted the liner to be securely and firmly held to the frame, but without being pierced by nails, tacks or staples as previously done. It also permitted the liner to be easily inserted or removed from the holder, even with a full mattress in place.

Defendant Frank Lucas also developed and sold products in the waterbed industry. At the same time that Mr. May was developing his liner holder, defendant Lucas was developing another product to solve the leakage containment problem. That product, however, was a commercial failure. Defendant Lucas subsequently introduced a holder generally copied from plaintiff's holder, but somewhat altered in order to avoid infringement. It too was a commercial failure and caused his company to go bankrupt. Finally, after founding the other defendant in this case, American Southwest Waterbed Distributors, Inc., defendant Lucas introduced the product at issue in this case, which defendants *admitted* to infringe the '282 patent and which the jury found to be a *wanton* and *willful* infringement of that patent.

Mr. May filed this action for patent infringement in the United States District Court for the Northern District of Texas. Jurisdiction was premised on 28 U.S.C. §1338. The case was tried to a jury on February 22 through February 24, 1982. The jury heard seven witnesses for the plaintiff (and three for defendants) and considered over 100 exhibits. During the course of the trial, defendants stipulated that the patent was infringed and also dropped all bases of attack on the validity of the patent, except that of obviousness under 35 U.S.C. §103. The case was submitted to the jury,

which was asked to return a verdict consisting of the answers to three questions: (1) whether they found the patent in suit obvious; (2) whether, if the patent was nonobvious, they found defendant's infringement to be wanton and willful; and (3) if the patent was valid, the amount of damages. The jury returned their verdict, finding the patent nonobvious, defendants' infringement wanton and willful, and plaintiff's damages to be \$225,000.

On March 5, defendants filed a Motion for Judgment Notwithstanding the Verdict, and, in the Alternative, for New Trial. On May 13, 1982, the Court issued its Order granting judgment notwithstanding the verdict with a sarcastically written opinion and a judgment holding the patent invalid and dismissing the action because the Judge found *no evidence* to support the jury's verdict.

Plaintiff filed a Notice of Appeal to the Court of Appeals for the Fifth Circuit on June 7, 1982. Oral argument was heard on June 21, 1983. On September 26, 1983, the Court of Appeals issued its opinion. The majority filed a *per curiam* opinion setting forth no analysis or opinion but merely affirming the District Court on the basis of its opinion, which was reproduced in its entirety. However, Circuit Judge Tate filed a dissenting opinion stating that in his view the implicit findings of the jury were supported by *substantial evidence* and that judgment notwithstanding the verdict was improperly granted.

ARGUMENT.

1. Why Review Should Be Granted.

Review of the Court of Appeals decision is important in this case because there is a need to reformulate the analysis set forth in this Court's opinion in *Graham v. John Deere Co.*, 383 U.S. 1, 15 L.Ed.2d 545, 86 S.Ct. 684 (1966) so that all six factual factors in the determination of obviousness under Section 103 mentioned in that opinion (as well as others such as evidence of copying (see, e.g. *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U.S. 428 (1911)), are fully considered by the fact finder. Secondly, the rigid distinction which has been established in the wake of *John Deere* between the factors listed in that opinion as questions of fact and the ultimate issue of obviousness, identified as a question of law, must be dropped because there is a conceptual and factual gap between the two classifications which simply has not been filled in the seventeen years since the *Deere* standards were articulated.

The confusion and lack of precision which have marked judicial interpretation of *Deere* have haunted and discriminated against one particular class of inventor, the individual working without the benefit of a laboratory and a large research budget who creates a new and ingenious but simple mechanical apparatus. Over the last seventeen years, the lower Courts have added all sorts of additional hurdles for the inventor of simple mechanical products. For example, there was the creation of a new category of "combination patents" which were to be viewed more carefully than others, and the test of "synergism" which required mechanical items to perform something more than the combination of their individual elements, somehow in violation of logic or the basic laws of physics.

The real problem, however, is that a simple mechanical item can be understood even by a non-technically trained judge, whereas electronic or chemical inventions cannot be easily comprehended. In the case of a simple mechanical item, there is the virtually irresistible temptation to apply hindsight, to make unsupported and even stupid assumptions and to ignore perhaps the very best evidence, namely, prior unsuccessful attempts to solve the problem and the commercial success of the newly developed item.

The gap that has been permitted to exist between the "legal" conclusion of obviousness and the restricted and compartmentalized "underlying" questions of fact which are left to the jury has permitted judges, who are perhaps more cynical as a class than are jurors, to substitute their own conclusions of obviousness, even when juries have found to the contrary upon proper legal instructions.

The District Court in this case, and many other courts as well, have reduced the standards set forth by this Court in the *John Deere* case to a rigid mechanical formula which distorts the factual inquiries underlying the determination of obviousness or nonobviousness under Section 103. The circuits are in a state of confusion as to the proper procedure to follow when a jury is the fact finder in a patent case turning on obviousness. This difficulty arises largely from the reduction of the *Deere* considerations to a rigid formula with the resulting gap between "fact" and "law". The effect is often, as it was here, to deprive litigants of their right to have contested factual questions resolved by the jury, thus interfering with their constitutional right of trial by jury.

Petitioner submits that this Court should take this opportunity to modify the standards of the *John Deere* case and resolve the muddled question of the role of juries in resolving factual questions under these standards. Such ref-

ormation would remove the confusion which has been created by seventeen years of lower court interpretation and would greatly assist the new Court of Appeals for the Federal Circuit which is beginning its attempt to standardize patent law based on the guidance provided by the pronouncements of this Court. Of course, that court cannot alter the standards of the *John Deere* case themselves.

2. The Problems Which Have Arisen in Interpretation of *Deere*.

The Court established the standards for application of the "nonobviousness" requirement of patentability of 35 U.S.C. §103 in *Graham v. John Deere Co.*, 383 U.S. 1, 15 L.Ed. 2d 545, 86 S.Ct. 684 (1966). While the Court identified the ultimate question of patent validity as one of law, it indicated that the Section 103 condition

"... lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy. [Citation]" 383 U.S. at 17-18.

In practice, many courts have reduced this to a mechanical formula. This formula takes the first three of the "several basic factual inquiries" — the scope and content of the prior art; the differences between the prior art and the patent at issue; and the level of ordinary skill in the pertinent art —

and identifies these as the only three factual elements of the analysis within the province of the trier of fact. On these three factual determinations, the Court is to make its legal determination of obviousness. See the Opinion below in this case. 715 F.2d at 880. The so-called "secondary considerations" then appear usually as afterthoughts separate from and unrelated to the main analysis.

This approach is not mandated by the *Graham* opinion nor Section 103 itself. The *Graham* opinion speaks of "several" factual inquiries and makes clear that those labelled "secondary" are not peripheral and separate from the main analysis, but are an integral part of it.

Once one has determined the scope and content of the prior art, the differences between that and the patented invention, and the level of skill in the pertinent art, one must still determine whether the mythical omniscient person with that level of skill would find the solution of the patent obvious. See, e.g. *Nikola v. Peterson*, 480 F.2d 898 (6th Cir. 1978), *cert. denied*, 440 U.S. 961 (1979). While this determination has a legal component, it also clearly has a factual one, one which is influenced by consideration of the actual conditions at the time of the invention as reflected in the "secondary" factual considerations. This necessarily factual component of the supposedly legal determination was recently discussed in these terms by one court:

"Law traditionally is viewed as society's judgment as to competing values and thus a way of meaningfully ordering events in the physical universe. Facts, on the other hand, are instances in the physical universe about which judgments are made. . . . To the degree that 'obviousness' requires a subjective judgment concerning events in the physical universe (e.g., in this case comparisons of plaintiff's shoe design with the prior art) it may be that obviousness is the legal standard,

but the comparison itself is a process of sifting evidence and thus a factual determination."

Famolare, Inc. v. Edison Bros. Stores, Inc., 525 F.Supp. 940, 943-44 (E.D. Cal. 1981).

Another court has described the effort of separating fact from law in the area of obviousness to be like "unscrambling eggs." *General Motors Corp. v. Toyota Motor Co.*, 667 F.2d 504, 505 (6th Cir. 1981), *cert. denied*, 102 S.Ct. 1994 (1982).

Singling out three underlying factual inquiries alone for the trier of fact has not proved a successful way of unscrambling the eggs. It has merely served to remove legitimate fact determining and evidence-weighting tasks from the finder of fact and to make a jury verdict virtually unprotectable against a judge who takes a different view of the evidence. For it has left a gap between the "underlying factual questions" and the "legal" issue of obviousness, a gap that while largely factual is left exclusively to the court.

This rigid three-pronged formula also leads to virtual exclusion of the underlying factual questions categorized in the *Deere* opinion as "secondary considerations." It not only reduces them in importance, it isolates them from the central three-pronged analysis. This Court in *Deere*, however, indicated that these factual considerations served to shed light on the general factual circumstances underlying the obviousness determination. They were not intended to be independent columns on some obviousness score sheet, consulted only when the first three innings ended in a tie.

The errors of this approach are typified by the opinion of the District Court in this case, which was uncritically adopted by the majority of the Court of Appeals panel. The Court discussed the *John Deere* standards at page 880, mentioning only the three "major" factual inquiries as underlying factual issues. No mention whatsoever was made of

the “secondary considerations” until page 884, where they made a token appearance after the court’s actual conclusion that the patent was obvious but before the section of the opinion labelled “conclusion.”

The *Deere* opinion itself, despite the infelicitous use of the word “secondary,” made clear that these factual determinations are important and integral elements of the obviousness determination. The central paragraph of the *Deere* opinion states that those factual questions “might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” Later in the opinion, the Court, referring to these same factual inquiries, stated:

“These legal inferences or subtests do focus attention on economic and motivational rather than technical issues and are, therefore, more susceptible of judicial treatment than are the highly technical facts often present in patent litigation. [Citation] Such inquiries may lend a helping hand to the judiciary, which, as Mr. Justice Frankfurter observed, is most ill-fitted to discharge the technological duties cast upon it by patent legislation. [Citation] They may also serve to ‘guard against slipping into use of hindsight,’ [Citation], and to resist the temptation to read into the prior art the teachings of the invention in issue.” 383 U.S. at 36.

These factual issues are, therefore, important elements in the determination of obviousness. In some cases, they may be of great significance to the determination of obviousness. In others, they may be much less significant. But they are always an important ingredient because of the light they shed on the actual factual context of the development and exploitation of the invention. There is no justification for consigning them to the position of afterthoughts as the courts did in this case. Unfortunately, this finding is encouraged

by the wording of the *Deere* opinion and by the deceptive term "secondary" used in that decision. Petitioner here asks this Court to modify its statement of those standards by removing the label "secondary" and clarifying the role of these issues in the judicial inquiry, thus reestablishing the importance to the obviousness determination of the actual facts surrounding the invention.

3. There Is No Reason Why Obviousness Should Not Be Treated in the Same Manner as Other Mixed Questions of Law and Fact.

The wording of the *John Deere* case and its subsequent interpretation by the lower courts have, therefore, distorted the proper consideration by the finder of fact of all factual issues pertinent to obviousness. And, of course, there is great confusion among the circuits as to the procedures to be followed when the fact finder on the obviousness issue is a jury. There appear to be no substantial reasons, however, why this issue of obviousness should be treated differently from other issues of mixed fact and law, such as negligence, which are routinely decided in jury trials.

This Court pointed out in *Graham v. John Deere* that while the question of obviousness presents difficulties, these difficulties "are comparable to those encountered daily by the courts in such frames of reference as negligence and scienter . . ." 383 U.S. at 18. In the area of negligence, however, the courts have not become so confused by attempting to "unscramble the eggs" by dividing fact from law according to rigid formulas. Negligence is recognized as a mixed question of fact and law and the question of negligence as a whole is ordinarily left to the jury under appropriate instructions. The possibility of judgment notwithstanding the verdict based on an examination of the adequacy of the evidence on each component issue provides

the necessary legal restraint on the jury's determinations.

There seems no reason why obviousness cannot also be determined as a similar mixed question of fact and law with the entire question left to a jury properly instructed on the law, or by special interrogatories covering *all* the pertinent factual points accompanied by a general verdict which should be upheld if consistent with the interrogatory answers properly supported by probative evidence. This would eliminate the confusing and unnecessary gap now existing between "fact" and "law" and provide a more consistent and easily reviewable result.

4. The Potential for Abuse Created by the Rigid Formulaic Approach to the *John Deere* Standards in Jury Cases Is Illustrated by This Case.

In this case, the jury, which both parties conceded was properly instructed in the law, returned a verdict that the patent was nonobvious. In granting defendants' motion for judgment notwithstanding the verdict, the District Court claimed that it was following the proper standards established by the Fifth Circuit in the case of *Boeing Co. v. Shipman*, 411 F.2d 365 (5th Cir. 1969) (en banc), applied to patent obviousness determinations in *Control Components Inc. v. Valtek, Inc.*, 609 F.2d 763 (5th Cir. 1980). Under that standard, findings favorable to the prevailing party on the "underlying factual determinations" are considered to be implicit in the jury's verdict and those implied findings are to be upheld if supported by substantial evidence.

However, the Court did not approach the jury's verdict by examining the evidence in the light most favorable to plaintiff and then determining whether that evidence would support the findings on the underlying factual issues favoring plaintiff. Instead, the judge disposed of this consideration in a footnote stating: "no such [i.e. substantial]

evidence is present in this action." 715 F.2d at 881 (Footnote 2). The judge then went on to conduct his own analysis, applying the rigid formulaic approach to the *John Deere* standards, picking and choosing evidence or making unsupported and often incorrect assumptions to support *his* conclusion of obviousness. Whether there was evidence on the record to support a conclusion of obviousness is immaterial. The question before the District Court (and the Court of Appeals) was whether the evidence would support the verdict of *nonobviousness*. The judge answered the second question in one unsupported sentence in a footnote and devoted the rest of his opinion to the first question.

There was, in fact, substantial evidence supporting the jury's verdict, as Judge Tate pointed out in his strong dissent in the Court of Appeals. In addition to evidence on the scope and content of the prior art pointed out by Judge Tate, there was much evidence ignored by the District Court on the issues of the differences between the prior art and the patent in suit, the level of skill in the pertinent art, long felt but unsolved need, failures of others, commercial success and copying by others. Petitioner will not attempt to summarize all that evidence here. Suffice it to say that the evidence is set forth in some detail in petitioner's brief opposing the motion for judgment notwithstanding the verdict in the District Court and in briefs in the Court of Appeals. Neither of those courts discussed that evidence.

The District Judge was particularly blatant in his disregard of the "secondary" factual considerations. He never examined the evidence most favorable to plaintiff to determine whether it adequately supported a finding that these factual elements had been established. In keeping with his general analysis of the case, the judge drew his own conclusions from the evidence on these points, selecting only that which supported his own conclusions. In addition, because of his

rigid adherence to the three-pronged analysis, he treated these additional factual questions as totally separate and peripheral to the main analysis.

The judge held that the evidence showed no long felt but unsolved need in the industry for an invention such as plaintiff's. While the judge cited evidence to support this conclusion, he totally ignored the great amount of contrary evidence. Several industry witnesses testified to such a need, stating that many people in the waterbed industry were working on various solutions to this problem during the years before plaintiff's patented invention. Indeed, defendant was one of them. In addition, a great number of exhibits from the industry press of the time reflected such efforts and the variety of products that were developed to provide solutions to the leakage problem. The judge himself referred elsewhere in the opinion to one such device, a "matchbox type holder," which was developed a year before plaintiff's invention, but which never met with commercial success because of several operational drawbacks. Yet when discussing evidence of a long felt but unsolved need, the judge ignored this as well as the rest of the evidence which would have certainly supported a jury finding for plaintiff on this issue.

On the issue of commercial success, the judge in effect conceded that dramatic commercial success had been established. However, he merely dismissed this point as immaterial.

The method of analysis followed by the District Court in this case and, unfortunately all too often by other courts, conflicted with the authority recognizing the importance of these factual elements, as discussed above. Furthermore, the approach of the District Court in this case effectively removed these factual considerations from the jury. For the judge never considered what the evidence permitted the jury

to find on these issues or what impact their resolution of conflicting testimony on these issues may have had on their view of the entire obviousness question.

It is difficult to believe that the Court would have taken such a cavalier approach to evidence supporting the jury's verdict if the issue in this case had been negligence or scienter. It is only because of the rigid formula attempting to divide fact and law constructed from the *Graham v. John Deere* opinion and its consequent shifting of factual elements to a conclusion of law that a court would show such disregard to a jury's determination. (In fact, the District Court, in Footnote 2, implies that even greater disregard of the jury's determination might be appropriate.) 715 F.2d at 881.

The approach of the District Court here, therefore, sanctioned and adopted by the Court of Appeals, involved a misconstruction of this Court's opinion in *Graham v. John Deere* and also involved a partial denial of the right of trial by jury by removing factual questions properly for the jury to the province of the Court, and by ignoring evidence to support the jury's determination of the factual issues which were, at least in theory, before it.

Finally, petitioner takes great offense to the manner and tenor of Judge Hill's opinion. Petitioner believes that the Judge did not take the case seriously and was psychologically motivated to "dump" the case regardless of the jury's action. This amounts to the Judge being prejudiced, not in a personal way, but against patents relating to simple mechanical items. Needless to say, Judge Hill is not alone. Many judges take a dim view of patents, especially ones on simple items, and they find such cases difficult to understand and difficult to dispose of. Guidance from this Court would greatly alleviate this problem.

5. The Approach to the Determination of Obviousness of the Lower Courts Discriminates Against the Independent Inventor.

The reduction of the obviousness issue to a rigid formula, with its distortion of proper analysis, its diminishing of the importance of the so-called secondary considerations and its severe restriction of the role of the jury, discriminates against the small independent inventor such as plaintiff in this case. For, as pointed out by this Court in the *Graham v. John Deere* opinion, one of the chief purposes of the so-called "secondary considerations" is to guard against the use of hindsight and avoid the temptation to read into the prior art the teachings of the invention. Yet, that is exactly what the District Court did in this case. At no point did the District Court, in its independent analysis, look at the prior art as a whole and attempt to place itself at the time of the invention looking from the point of view of that prior art to the problem faced by Mr. May.*

Instead, the Court dissected the claims of the patent and scanned the prior art looking for references which showed similar elements. The Court, therefore, did what the Federal Circuit Court of Appeals recently condemned:

"The result is that the claims were used as a frame, and individual, naked parts of separate prior art references were employed as a mosaic to recreate a facsimile of the claimed invention . . .

*In *John Deere*, the Court indicated that the factual element of long felt but unsolved need was of little pertinence in that case because no one had apparently availed himself of the knowledge stored in the Patent Office by conducting a patent search. Here, however, Mr. May testified that none of the prior art produced by defendants at trial would have assisted him in solving the problem he faced. And defendant, who could have avoided infringement by adopting the prior art, came to the solution of plaintiff's invention only by copying it from plaintiff.

To imbue one of ordinary skill in the art with knowledge of the invention in suit, when no prior art reference or references of record convey or suggest that knowledge, is to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher."

W.L. Gore & Associates, Inc. v. Garlock, Inc.,
___ F.2d ___ (Fed. Cir. 1983) (27 BNA PTCJ
115, Dec. 1, 1983).

This illustrates a wider problem, however, than the mere failure of one District Court judge to properly follow a judicially established standard. This lapse into hindsight was a direct result of the improper diminution of the significance of the so-called secondary considerations and of the effective withdrawal of these factual questions from the jury, both of them engendered by the rigid formulaic interpretation of the *John Deere* standards.

It goes without saying that these dangers are particularly severe when the invention is a fairly straightforward device whose operation can be understood by the judge. Such inventions, in retrospect, often appear "so simple" and "straightforward" that a judge simply will not accept that they were other than obvious, no matter what the proper finder of fact may determine. The Ninth Circuit expressed the danger in these terms:

"These secondary considerations are equally important, moreover, where the patent inquiry involves the 'technologically prosaic' arts often relevant to mechanical devices. In these cases, the operative principles of the device are more comprehensible to the ordinary layperson, and the state of the prior art more fully understood. Judicial recognition of the importance of the secondary considerations in these cases may serve to check the tendency to translate this comprehension into the conclusion that the invention was obvious."

Sarkisian v. Winn-Proof Corp., 697 F.2d 1313, 1320 (9th Cir. 1983), *cert. denied*, 103 S.Ct. 1499.

The District Judge here fell into this trap as did the majority of the Court of Appeals panel which merely adopted his opinion. This result was made possible, of course, by the Judge's reading of the *Deere* standard which permitted him to virtually ignore the "secondary" considerations.

In this case, however, "secondary" considerations are of vital importance in showing those that, despite what the situation appears to be in hindsight, the solution to the problem was in fact not obvious but was ingenious. Defendant himself tried twice and failed. What better evidence than the fact that both plaintiff and defendant, both inventors of long standing and each the holder of U.S. patents, tried to solve the problem at the same time and only one succeeded while the other copied after another unsuccessful attempt?

Statements that simplicity does not equal obviousness and that hindsight should be avoided, do little good when the analysis applied by the courts improperly stresses some factual questions and virtually excludes others from consideration and allows judges to improperly remove the determination of factual questions from the finder of fact. The discrimination against small unfunded inventors inherent in this analysis is clear. A judge is far less likely to interpose his own impression of an invention and its supposed obviousness in the context of a sophisticated technology, even though the invention at issue may be quite elementary to those versed in that technology. However, a significant social role is played by small inventors, such as the plaintiff in this case, who has more than six patents to his credit, who develop ingenious and useful devices which are not likely to emerge from the heavily funded research and de-

velopment departments of high technology firms.*

The product here at issue is a good example. It was the product of six months of considerable effort and experimentation on the part of plaintiff, an experienced inventor and technician. It was directed to solving a problem which was attracting a great deal of attention in a young but rapidly growing industry. The effectiveness and ingeniousness of its "simple" solution to this problem was evidenced by its rapid commercial success and adoption by a major portion of that industry. It provided increased safety, economy and convenience. California, for example, required that a water-bed include a device for securely fastening a liner to the frame. Title 4, *California Administrative Code*, Section 1357(a). Plaintiff's invention provided the first device which would effectively do that without the need for nailing, tacking or stapling the liner in, thus avoiding puncturing the liner and risking the puncturing of the mattress.

Yet, plaintiff's invention is such that little or no capital commitment is required by an imitator. Indeed, defendant was just such an imitator. After the introduction of Mr. May's patented device, defendant abandoned his own unsuccessful efforts to develop a commercially successful solution to the problem, failed again with a modified copy of Mr. May's product and then blatantly and fully copied Mr. May's solution. The evidence showed direct copying despite the defendant's knowledge of Mr. May's patent and the jury found the admitted infringement to be wanton and willful. In response to questions regarding why he copied, the defendant simply said that he was providing what his customers asked for.

*Consider the significance, for example, of such simple and easily comprehended inventions as Whitney's cotton gin, Singer's sewing machine and Edison's light bulb.

In the absence of effective patent protection, what incentive does an independent inventor, such as Mr. May, have to spend six months of time and considerable money (for an individual) developing such a product? As soon as such a product is produced, it can be copied with very little expenditure of capital by anyone willing to employ a plastic extrusion company. There would be no way for such an inventor to recover the costs that went into the time, materials and effort in developing the product. Indeed, the benefits of the inventor's ingenuity as well as of that time, effort and money would be reaped by the copiers.

Only the patent system provides an incentive to the development of such products. It is quite clear that Congress considers such small inventors to be important and does not consider the patent system to be the exclusive province of the giants of high technology industry. The recent establishment of the special lower application fee for small entities and individual inventors is a clear demonstration of Congressional intent in this regard.

Plaintiff in this case, as a reward for developing a highly lauded and successful product which greatly contributed to safety in a growing and increasingly important American based industry, has been rewarded by willful piracy of that invention, followed by a long, expensive and frustrating journey through the courts. The jury, his right under the Constitution, decided in his favor, only to have a judge not only negate that jury verdict but issue an opinion punctuated by sarcastic and demeaning comments undoubtedly intended to be "cute." This "cuteness" in fact made fun of Mr. May and his small inventor status and was gleefully exploited in mailings to the entire industry by the defendant who had stolen Mr. May's invention.

Clearly not all patents issued by the Patent Office are valid. But if a patent is to be invalidated, it should be in

accord with the law set out by Congress and in consideration of all the facts pertinent to those legal standards, not according to rigid formulations which penalize inventions which in the view of hindsight appear to be "obvious" although they eluded people looking for them at the time. Such patentees are also entitled to an effective trial by jury which permits the jury to determine the entire factual situation and does not permit a judge to ignore those determinations and substitute his own views on the grounds that "obviousness" is a question of law and only certain of the factual components of that determination are suitable for a jury.

With the creation of the Court of Appeals for the Federal Circuit and its anticipated standardization of patent law, it is an ideal time for this Court to modify and clarify the standards set forth in its vitally important *Graham v. John Deere* opinion and to establish that a rigid formula compartmentalizing underlying factual questions and leaving only three of them for the finder of fact while shifting a large portion of factual determination to the Court is not proper. This is also an opportunity to reaffirm the role of the jury in the determination of *all* factual considerations underlying the obviousness determination, as in the case of other areas of the law. Such a clarification is in keeping with the sentiments of this Court expressed in the *John Deere* opinion:

"What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context. The difficulties, however, are comparable to those encountered daily by the courts in such frames of reference as negligence and scienter, and should be amenable to a case by case development. We believe that strict observance of the requirements laid down here will result in that uniformity and def-

initeness which Congress called for in the 1952 Act.”
383 U.S. at 18.

Seventeen years of practice under those requirements has shown a need for some adjustment. Because that practice has, in fact, not resulted in that uniformity and definiteness and case by case development, but has created a rigid mechanical approach which distorts the factual inquiries clearly called for by the terms of Section 103 and has resulted in an undermining of the right of a litigant to have those factual inquiries determined by a jury. As this Court noted in *John Deere*, there is no reason for obviousness to be treated differently in this respect than other judicial issues of mixed law and fact such as negligence. Only this Court (and not the Federal Circuit Court of Appeals) can provide the adjustments needed in the *John Deere* standards to ameliorate the judicial treatment of this vital portion of the patent law.

Conclusion.

For the above reasons, petitioner submits that this case presents a special and important situation calling for review by this Court. Petitioner respectfully requests, therefore, that a Writ of Certiorari be granted.

Respectfully submitted,

JOSEPH H. GOLANT,
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Attorneys for Petitioner.

Of Counsel:

ROMNEY, GOLANT, MARTIN,
DISNER & ASHEN.

APPENDIX I.

Opinion of the United States Court of Appeals, Fifth Circuit.

Marvin I. May, Plaintiff-Appellant, v. American Southwest Waterbed Distributors, Inc., a Texas Corporation and Frank Lucas, an Individual, Defendants-Appellees. No. 82-1302.

United States Court of Appeals, Fifth Circuit.

Sept. 26, 1983.

The United States District Court for the Northern District of Texas, Robert M. Hill, J., entered judgment in favor of patent holder in infringement suit and denied defendants' motions for judgment notwithstanding verdict and new trial. The Court of Appeals held that Patent No. 3,973,282, covering waterbed liner holder, was invalid as obvious to an individual with ordinary skill in art to which patent pertained.

Ordered accordingly.

Tate, Circuit Judge, dissented and filed opinion.

John K. DeLay, Jr., Dallas, Tex., Thomas D. Phillips, Joseph H. Golant, Los Angeles, Cal., for plaintiff-appellant.

Hubbard, Thurman, Turner, Tucker & Glaser, Robert W. Turner, Kenneth R. Glasser, Dallas, Tex., for defendants-appellees.

Appeal from the United States District Court for the Northern District of Texas.

Before GEE, GARZA and TATE, Circuit Judges.

PER CURIAM:

Having read the record, the briefs of the parties, and after hearing oral argument, we are convinced that the court below was correct in deciding that the device in the patent in question was not patentable because of obviousness as a matter of law. Therefore, the court below is affirmed on

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the basis of its opinion dated the 13th day of May 1982,
attached hereto as Appendix "A".

AFFIRMED.

In the United States District Court for the Northern District of Texas Dallas Division.

Marvin I. May, Plaintiff v. American Southwest Waterbed Distributors, Inc., and Frank Lucas, Defendants. Civil Action No. CA-3-80-1075-D.

ORDER

Came on for consideration before the Court the motion for judgment notwithstanding the verdict or, in the alternative, for a new trial, filed by defendants American Southwest Waterbed Distributors, Inc., and Frank Lucas (collectively Lucas), and the motion for entry of judgment filed by Marvin I. May (May), plaintiff. Having considered the motions, briefs of the parties, and the record in this action, the Court is of the opinion that the motion for judgment notwithstanding the verdict should be granted and the motion for entry of judgment should be denied.

This action is over the validity of patent No. 3,973,282 (the '282 patent) issued to May and covering a water bed liner holder. At trial, Lucas admitted that his device infringed the '282 patent claims in issue, but he has continued to press his contention that the '282 patent is invalid because the patented device would have been obvious to one skilled in the art.

When It Rains . . .

A principal concern of the water bed industry is preventing leakage from the mattress, and containing the water should the mattress rupture. A water bed holds a large amount of water and should the water mattress rupture, there is a likelihood of substantial water damage to other furniture as well as to the building structure. This problem was especially acute in the early years of the water bed industry. The bulk of the industry efforts were devoted to methods

of assuring the integrity of the water bed mattress, and great improvements have been made, especially in the area of stronger mattress seams.

Every Cloud Has a Silver Lining

Since there is a possibility that even the best mattress may rupture, there must be some method of containing any leakage that might occur. The usual method of containment involves a plastic liner which is attached to the inside of the water bed frame over which the water mattress is then placed. The '282 patent covers a plastic device used to hold the plastic liner near the top of the inside of the frame. There were a substantial number of methods for securing the liner to the same area of the frame in existence prior to the development of the device covered by the '282 patent. The main advantages of May's device are that it is easily installed, easy to use, and does not damage the liner. As evidenced by the substantial sales over the last six years, May's device made quite a splash in the industry.

Is the '282 Patent Leakproof?

[1,2] Under 35 U.S.C. § 282 all patents are presumed to be valid. Thus, before a patent may successfully be challenged, the statutory presumption of validity must first be overcome. In order to rebut the presumption of validity, the party seeking to torpedo the patent must show that the Patent Office failed to consider pertinent prior art at the time it made its evaluation. *Reed Tool Co. v. Dresser Industries, Inc.*, 672 F.2d 523, 526 (5th Cir. 1982); *Ludlow Corp. v. Textile Rubber & Chemical Co.*, 636 F.2d 1057 (5th Cir. 1981). The evidence offered must not be cumulative and must be more than a preponderance, with any doubts resolved against the attacking party. *Id.*

A determination must therefore be made as to what constitutes the "pertinent" prior art against which the obvious-

ness *vel non* of the '282 patent is to be measured. *I.U. Technology Corp. v. Research-Cottrell, Inc.*, 641 F.2d 298, 302 (5th Cir. 1981). May argues that the most pertinent prior art is the field of bedding fasteners. Lucas, in turn, contends it is the total field of clips, fasteners and holders.

[3,4] To resolve this issue, the Court must look to the art within which the inventor was working at the time of the invention. *In re Application of Grout*, 377 F.2d 1019, 1021-22 (CCPA 1967). The focus of inquiry is on the problem solver and not the user of the solution; *i.e.*, it is the subject matter of the invention and not the field or industry which might thereafter have a use for the invention which must be looked to. *I.U. Technology*, 641 F.2d at 303; *Systematic Tool & Machine Co. v. Walter Kidde & Co.*, 555 F.2d 342, 349 (3d Cir.), *cert. denied*, 434 U.S. 857, 98 S.Ct. 178, 54 L.Ed.2d 128 (1977). Furthermore, if the elements and purposes of one art are so related and are so similar to those of another art as to make an appeal to one skilled in such art, the two arts are analogous, and both arts must be looked to in determining the field of art to which the patent pertains. *I.U. Technology*, 641 F.2d at 304-05; *Cathodic Protection Service v. American Smelting & Refining Co.*, 594 F.2d 499, 505-06 (5th Cir.), *cert. denied*, 444 U.S. 965, 100 S.Ct. 453, 62 L.Ed.2d 378 (1979); *Aerotec Industries of Calif. v. Pacific Scientific Co.*, 381 F.2d 795, 802 (9th Cir. 1967), *cert. denied*, 389 U.S. 1049, 88 S.Ct. 788, 19 L.Ed.2d 843 (1968).

Applying these principles, there can be no doubt that the field of fasteners and holders is the most pertinent prior art to which the patent pertains. May's invention relates to a means of fastening or holding a water bed liner to a water bed frame. While May claims that it solved a problem related to a bed, so that the most pertinent art should be bedding fasteners, the nature of holding a water bed liner

naturally calls for the talents of one skilled in the art of fasteners, and holders. See *In re GROUT*, 377 F.2d at 1022. This conclusion is confirmed by a continuation patent application filed by May on a nearly identical water bed liner holder in which the device is described as a providing simple holder for mounting valances, ruffles, draperies, window treatments or to holding memos, notes, or other pieces of paper, as well as holding water bed liners.

Having determined that the sea from which pertinent prior art is to be fished is fasteners and holders, it remains to be determined if the Patent Officer failed to examine pertinent prior art sufficient to rebut the presumption of validity enjoyed by the '282 patent. Lucas cites to eight patent references in the record which were not considered by the patent examiner.¹ These patent references disclose clip-type holders, which in conjunction disclose all of the significant features claims in the '282 patent. In addition, a picnic table cloth clip existing prior to the '282 patent was introduced at trial. (Plaintiff's Exhibit No. 97) This clip is made of plastic, capable of being elongated, with a bottom portion to be secured to the table, a center curved portion with space for storage, and an upper portion which presses against the table to keep the table cloth in place.

[5] In contrast, the patent examiner did not examine any prior art references involving resilient, clip-type fasteners, designed to releasably retain a flexible object against a support surface, although other devices for holding a water bed liner were examined, including liner tape, tack strips, t-molding, cap rails, and a matchbook-like holder. Because the patent examiner failed to consider pertinent prior art,

¹*Brown* 951,052; *Concannon* 2,400,058; *Brewster* 769,588; *Burke* 1,154,371; *Fricker* 1,696,908; *Simon* 841,589; *Kost* 2,154,046; and *Borisof* 3,309,052.

and the prior art that was considered was of a different kind and substantially less relevant, the presumption of validity in this case must be regarded as non-existent.

Obviousness

[6] The ultimate question of patent validity is one of law, but the determination of obviousness depends upon three factual inquiries. *Graham v. John Deere Co.*, 383 U.S. 1, 17, 86 S.Ct. 684, 693, 15 L.Ed.2d 545 (1966). The factual inquiries are: (1) the scope and content of the prior art; (2) the differences between the prior art and the claims at issue; and (3) the level of ordinary skill in the art. *Id.*; *Reed Tool Co.*, 672 F.2d at 527. In *Lear Inc. v. Adkins*, 395 U.S. 653, 676, 89 S.Ct. 1902, 1914, 23 L.Ed.2d 610 (1969), the Supreme Court referred to the test in *Graham* as a "demanding standard of invention." *Lear* and its progeny reiterate the proposition that there is an important public interest in the elimination of specious patents. *See Id.* at 676, 89 S.Ct. at 1914; *Steelcase, Inc. v. Delwood Furniture Co.*, 578 F.2d 74, 76 (5th Cir. 1978).

[7,8] The jury in this action found that the patent was not obvious. In making this determination, the jury was instructed to make the following determinations:

- (1) The field of art to which the patent pertains;
- (2) the level of ordinary skill of those who worked in the field of art at the time of the invention;
- (3) the difference between the claimed invention and prior art; and
- (4) then, whether the claimed invention would have been obvious to one of ordinary skill in the art to which the patent pertains at the time the invention was made.

The factual determination required by *Graham* are implicit in the jury's verdict. *Control Components, Inc. v. Valtek*,

Inc., 609 F.2d 763, 767 (5th Cir. 1980). It is presumed that the disputed matters of fact have been resolved favorably to the prevailing party in accordance with the instructions given to the jury. *Id.*² The implicit factual determinations must be upheld if substantial evidence exists to support them. *Id.*; *Boeing Co. v. Shipman*, 411 F.2d 365, 374-75 (5th Cir. 1969) (en banc). The Court then determines the ultimate question of patent validity on the results of the factual findings that are supported by substantial evidence. *Control Components*, 609 F.2d at 767; *Swofford v. B & W, Inc.*, 395 F.2d 362, 368 (5th Cir. 1968).

[9-12] May asserts that the basis of Lucas' entire argument that the device is obvious is false because Lucas has not produced a prior art reference that shows all of the elements of May's device performing the same functions in the same way to achieve the same results. This argument has no merit. A device may be obvious even though the invention is not identically disclosed in the prior art, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole

²In *Control Components*, Judge Rubin filed an opinion concurring in the result of the finding that the patent was non-obvious, but disagreeing in the approach taken by the majority in their apparent approval of a general jury verdict supported by implicit factual findings. *I.U. Technology*, decided after *Control Components*, also involved a general jury verdict (although of obviousness), but the approach taken by that panel in that case differed substantially from that in *Control Components*. While acknowledging that the ultimate question of validity rests on the tripartite factual inquiries of *Graham*, the focus was on the determinations made by the trial judge. See, e.g., *I.U. Technology*, 641 F.2d at 305-306. No reference was made to implicit jury findings to be sustained if supported by substantial evidence. Instead, the trial judge's findings were apparently reviewed under the clearly erroneous standard. *Id.* at 306. Because there is clearly a factual component involved in this action, and this is a motion for judgment n.o.v., the court will adhere to the rule of *Control Components* that no implied jury finding be disregarded if supported by substantial evidence. No such evidence is present in this action.

would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains. *Robins Co. v. Dresser Industries, Inc.*, 554 F.2d 1289, 1290 (5th Cir. 1977). The mere fact that the device was the first to incorporate all of the features that made it a commercial success does not mean it was patentable as beyond the obvious. *Steelcase, Inc.*, 578 F.2d at 80. Similarly, patentability cannot rest on the discovery of a new use for a device with structural elements substantially similar to ones well known in the art, when the device could be easily put to such use by reason of its intrinsic properties *Gould-National Batteries, Inc. v. Gulton Industries, Inc.*, 361 F.2d 912, 914 (3d Cir. 1966). Obviousness, then, can be found from the teachings of the whole of the prior art and the improvements on those teachings that would be obvious to the hypothetical person of ordinary skill in that art. *Steelcase, Inc.*, 578 F.2d at 79.

Only claims 1, 2, 4, 5, 7, 10, 11 and 12 of May's patent are in issue here.³ The scope of the inventions is defined

³ These claims provide:

1. A liner holder to be attached to a frame of a water bed along its interior surface for restraining a waterproof liner placed within the interior of the frame, the liner forming with the frame a safety reservoir should the water bed rupture, the holder comprising:

a base of resilient material, said base being bowed to form with said frame a space for storage of a portion of said liner.

a leg portion connected to said base for bearing against said frame secure said holder in place; and

a head portion connected to said base for bearing against said frame, with said liner being receivable between said head portion and said frame.

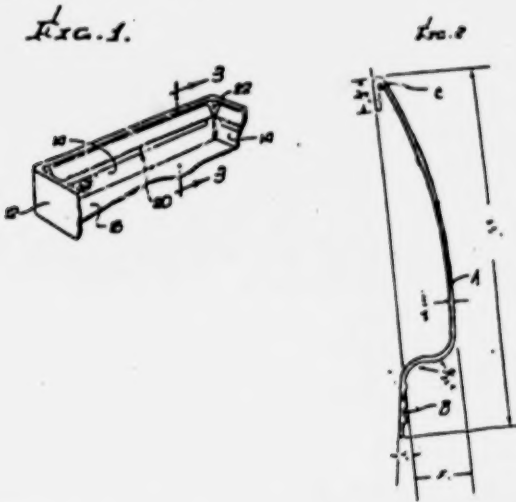
2. A holder as claimed in claim 1 wherein said base, said leg portion and said head portion are integral and said holder is elongated.

4. A holder as claimed in claim 2 wherein said head portion is placed in an overstressed condition when said holder is properly located relative to the frame for creating a biasing force against said frame.

5. A holder as claimed in claim 2 wherein said leg is vertically disposed.

7. A holder as claimed in claim 2 including fastening means cooperating with said leg portion for connecting said frame and said holder.

by these claims. *Smith v. Snow*, 294 U.S. 1, 11, 55 S.Ct. 279, 283, 79 L.Ed. 721 (1934); *Arbrook, Inc. v. American Hospital Supply Corp.*, 645 F.2d 273, 276 (5th Cir. 1981). Figures 1 and 2 below respectively show May's holder attached to the inside of the frame and a cross section of the holder showing the arrangement of its three major sections: the bowed base, labeled A; the leg portion, labeled B; and the head portion, labeled C.



10. A liner restrainer for use with a water bed liner to secure said liner in a desired position with a frame, said restrainer comprising:
a resilient element having a bottom portion for positioning said restrainer, a top portion biased to apply a force against said liner and said frame, and a central portion outwardly extending to provide a space between the central portion and said frame.

11. A liner restrainer as claimed in claim 10 wherein said element is approximately three inches in height and said top portion is offset horizontally approximately $\frac{1}{4}$ inch when in an operative position relative to said frame whereby said bias is achieved by said offset.

12. A liner restrainer for use with a water bed liner to secure said liner in a desired position within a frame said restrainer comprising:
a flexible element having a bottom portion for locating said restrainer, a top portion over which said water bed liner is draped and a central portion integrally connecting said bottom and top portions, said element being placed generally upright along an interior surface of said frame which receives said liner within the frame while the edges of said liner extend parallel to a first side of said element loop over the top portion of said element and extend parallel to an opposite second side of said element whereby said liner edges are held in place within the frame.

Scope and Content of Prior Art

The Court has already determined that the relevant prior art is the field of holders and fasteners. It would, in fact, be fundamental error to disregard prior art in this area. See *Cathodic Protection Service*, 594 F.2d at 507; *I.U. Technology*, 641 F.2d at 304. The scope and content of this prior art is one of the factual inquiries upon which the implicit jury finding is controlling if supported by substantial evidence.

The prior art submitted by Lucas is extremely relevant. Not only is it from the field of fasteners and holders, but it also discloses the same functional or structural features that May claims is his patent. For example, a resilient clip-type holder for releasably retaining a stack of paper against a support surface as a consequence of the biasing force of the holder is disclosed. *E.g.* the *Brown* patent. Placing a clip in an overstressed condition by building in an off-set is disclosed. *E.g.* the *Brewster, Burke, Kost* and *Fricker* patents. A base of resilient material with a bowed base for storage is disclosed. *E.g.* the *Brown* patent. A leg portion connected to the base to help secure the holder in place is disclosed. *E.g.* the *Brewster* and *Simon* patents. Finally, most of the functional elements of May's patent are synthesized in the picnic table cloth clip introduced into evidence.⁴ In addition, the picnic table cloth clip is made of

⁴May makes much of the individual differences between the picnic table cloth holder and his device. First, he argues that there is no biased head portion. However, there is no dispute that the part of the clip opposite the leg is biased against the support surface when the table cloths inserted. Second, there is no middle bowed base. The bow, however, is not a critical feature: claim 1 provides that the base is bowed to provide space for storage of a portion of the liner. To use May's words, the picnic table cloth clip has a "large, gently curved end," which naturally creates a space for storage of excess material. Finally, May argues that there is no vertical alignment. To state the obvious, the picnic table cloth holder is made to hold a picnic table cloth; the sides of a picnic table are narrow, requiring the leg to be attached horizontally. May's clip is used to hold a water bed liner to the inside of a water bed frame. The frame is vertical, and deep enough to accommodate the holder, therefore it naturally has a vertical alignment. It can hardly be argued that this difference represents the kind of inventive innovation subject to protection under the patent laws.

plastic, would not rip a water bed liner, and can easily be elongated.

There is no substantial evidence justifying excluding holders and fasteners not used in conjunction with a bed. Because the patents and other prior art cited by Lucas are highly relevant, they should be included within the scope and content of the prior art.

Differences Between the Prior Art and the Claims at Issue

[13] Obviousness is established when features that distinguish the potential device from the closest prior art reference are disclosed in analogous structures in which these functions perform an identical function. *Catholic Protection Service*, 594 F.2d at 510. More ingenuity, skill, and innovation is required of the inventor than would be expected from the ordinary mechanic acquainted with the business. *Robbins*, 554 F.2d at 1294. Once the art to which the ordinary skilled person is widened to include other resilient-type clip holders outside of the bedding fasteners, it is manifest that the claims here are obvious; they simply do not describe a holder that performs functions different from those performed by the prior art. See *Catholic Protection Service*, 594 F.2d at 511.

The differences between May's device and the prior art are minimal. See Note 4 and accompanying text, *supra*. Evidence in the record, especially the testimony of the expert in the field of fasteners and holders offered by Lucas, established that any differences can be attributed to the work of a skilled mechanic rather than an inventor. May simply combined mechanical principles, well known in the field and previously disclosed in the prior art, to hold a water bed liner. The use of basic engineering principles, in developing a method for holding a water bed liner, where

there is no change in the respective functions of the elements of combination is the work of a skillful mechanic rather than the inventor. *Robbins*, 554 F.2d at 1295.

Level of Ordinary Skill

[14,15] The obviousness of the patent must be tested in the light of the hypothetical individual possessing ordinary skill in the relevant prior art. *Whitley v. Road Corp.*, 624 F.2d 698, 701 (5th Cir. 1980). The level of ordinary skill in turn rests on a preliminary determination of what prior art is to be used by the hypothetical person. *Cathodic Protection Service*, 594 F.2d at 512. This preliminary determination has already been made in favor of the field of holders and fasteners. As previously mentioned, May contends that the prior art cited by Lucas is not in the pertinent prior art because it was not used in conjunction with a bed. This same argument confronted the Supreme Court in *Graham* when the patentee of a pump sprayer invention argued that a particular patent was not in the pertinent prior art because it related to containers having pouring spouts rather than pump sprayers. The Supreme Court easily disposed of this argument (and the patent) in stating that

“[t]he problems confronting [the patent holder] and the insecticide industry were not insecticide problems; they were mechanical closure problems. Closure devices in such a closely related art as pouring spouts for liquid containers are at the very least pertinent references.”

Graham, 383 U.S. at 35, 86 S.Ct. at 703.

[16] The hypothetical person is a mechanically skilled individual familiar with the design of devices in the industry and the basic mechanical and engineering principles underlying those devices. See *Cathodic Protection Services*, 594 F.2d at 512-13; *Robbins*, 554 F.2d at 1295. This the-

oretical person of ordinary skill is also charged with knowledge of all that the prior art disclosed at the time of the invention, regardless of whether persons of ordinary skill in the field, or he himself, or anyone else, actually possessed such all-encompassing familiarity with prior disclosures. *Cool-Fin Electronic Corp. v. International Electronic Research Corp.*, 491 F.2d 660 (9th Cir. 1974). In addition, it is not merely what prior art naturally teaches, but what it suggests to one of ordinary skill in the art at the time of invention. *Application of Lamberti*, 545 F.2d 747 (CCPA 1976). See *Reed Tool Co.*, 672 F.2d at 528.

Applying these principles, there can be no doubt that the subject of the '282 patent would have been obvious to one of ordinary skill in the art. All of the features are disclosed in the prior art or would be readily apparent from an examination of the prior art by one of ordinary skill in the art to which the patent pertains.

Secondary Considerations

Finally, May urges that secondary considerations such as commercial success, long felt but unsolved needs, and the failure of others to invent a similar water bed holder indicate that his device was nonobvious. The evidence, however, does not support this contention.

Prior to 1975, the year in which May developed his device, there was no widespread, long felt need for such a liner holder. May testified at his deposition that prior to 1975 the water bed industry as a whole thought that the liner retention problem had been solved and that probably 99% of the people thought that tack stripping was a sufficient solution. Similarly, Lucas' expert in the water bed industry testified that prior to 1975, 95% of the people in the industry were satisfied with the then existing methods of fastening water bed liners to the frames and that there was no demand

for innovation in the area. This evidence demonstrates that there was no long felt need in the water bed industry for a solution to the problem of fastening the water bed liner, and also helps to explain why no one else developed such a liner holder from the prior art: very few people were looking for such a device. No matter how much acclaim a device may later receive as an innovation, if the elements comprising the invention are disclosed in the prior art, it is irrelevant that no one previously availed himself of the knowledge. *I.U. Technology*, 641 F.2d at 306 n. 8.

[17] Commercial success is relevant to the question of nonobviousness, but will not alone satisfy the requirement of nonobviousness. *Huron Machine Products, Inc. v. A. & E. Warbern, Inc.*, 615 F.2d 222, 225 (5th Cir. 1980). Where analysis of the three major *Graham* factors unequivocally demonstrate that the design in question was obvious before it was patented, commercial success does not impact on the resolution of the issue. *Whitley*, 624 F.2d at 701.

Conclusion

[18] May's claim of damages for infringement floats on the validity of his patent. The Court has determined that under the evidence in this action and the applicable legal principles May's patent fails to hold water, because the patented device would have been obvious to an individual with ordinary skill in the art to which the patent pertains, even though the device effectively serves as a water bed liner holder. Finally, the Court notes that during the trial of this action, defense counsel on numerous occasions referred the Court and jury to the clip attached to ball point pen he carried. Such clips have been common features on many pens for many years and, as is common knowledge, are used to hold the pen to some surface, normally a pocket. The Court takes judicial notice that if you take such a pen

with an attached clip, turn the pen upside down, and then elongate the clip horizontally, May's device is revealed. It only remains to attach this clip to the inside of a water bed frame to duplicate May's device. The motion for judgment notwithstanding the verdict should be granted.

Lucas has requested that he be awarded attorney's fees pursuant to 35 U.S.C. § 285. The Court does not find this to be such an exceptional case that an award of attorney's fees is justified. Therefore, the request for attorney's fees should be denied.

Accordingly, it is ORDERED that:

- (1) the motion for judgment notwithstanding the verdict filed by Lucas be granted and a judgment entered in accordance with this Order;
- (2) the motion for entry of judgment filed by May be denied;
- (3) the request for attorney's fees pursuant to 35 U.S.C. § 285 filed by Lucas be denied.

TATE, Circuit Judge, dissenting:

I respectfully dissent. By virtue of the implicit factual findings made by the properly-instructed jury in determining the issue of obviousness adversely to the defendants, *Control Components, Inc. v. Valtek, Inc.*, 609 F.2d 763, 767-68 (5th Cir.), *cert. denied*, 449 U.S. 1022, 101 S.Ct. 589, 66 L.Ed.2d 484 (1980)—findings supported by substantial evidence sufficient to withstand a motion for judgment notwithstanding the jury verdict, *Boeing v. Shipman*, 411 F.2d 365, 374-75 (5th Cir. 1969) (en banc)—, the district court erred in overturning the special verdict of the jury of nonobviousness.

While the issue of obviousness is a question of law, the district judge found as a subsidiary fact—in the face of conflicting evidence on the issue, and despite an instruction

under which the jury was required to determine the issue before accepting or rejecting the defense of obviousness—that the most pertinent prior art (examination of which was required by patent examiners prior to issuance of a valid patent) was that of “the field of fasteners and holders”—not the field of “bedding fasteners” (the field upon which the patent examiners relied in issuing the patent). As we noted in *Control Components, supra*, the underlying *factual* inquiry in determining the *law* issue of obviousness includes “[p]reliminary *factual* determinations . . . on the scope and content of the prior art and on the difference between the prior art and the claims at issue.” 669 F.2d at 767 (emphasis added). It is only “*then*” that the trial judge “determines whether the improvement would have been obvious to a person having ordinary skill in the art.” *Id.* (emphasis supplied). See also *Graham v. John Deere Company of Kansas City*, 383 U.S. 1, 17-18, 86 S.Ct. 684, 693-94, 15 L.Ed.2d 545 (1966). The district court could not disturb the jury finding of obviousness without rejecting the subsidiary pertinent prior art factual determination upon which the jury verdict of obviousness was founded.

The error of the majority in affirming the grant of judgment notwithstanding the verdict is both obvious and patent. The district court made a factual finding as to the most pertinent prior art contrary to that made by the jury, which had been properly instructed (without objection from either party) as to the criteria as to this issue and which had been instructed to determine this factual issue in deciding (by response to the special interrogatory) whether or not the patented device was obvious. R.IX, pp. 679, 692. The issue had been hotly contested before the trial judge. Substantial evidence in the *Boeing v. Shipman* sense supports this factual component of the jury verdict.

The plaintiff May himself testified that the field of the most pertinent prior art was in the field of bedding fasteners. His testimony was opposed by that of the defendant Lucas and two experts who testified on behalf of the defendants. I am unable to say that the plaintiff's own testimony, together with the jury's credibility option to reject the testimony of the defendant and his experts in the light of their financial self-interest in so testifying, as well as of the substantial testimony of peculiar problems in the water-bed fastener field (and of the long unsuccessful efforts, both by the defendant and others in the field to solve them, until the plaintiff's successful patented device), did not constitute substantial evidence¹—"evidence of such quality and weight that reasonable and fair-minded men in the exercise of impartial judgment" might conclude is sufficient to support a factual finding, *Boeing v. Shipman*, *supra*, 411 F.2d at 374—as not only to justify submission of this factual issue to the jury, but also to enable a jury verdict so founded to surmount a motion for judgment notwithstanding the verdict, *id.*

I therefore respectfully dissent.

¹The focus of the inquiry to determine the most pertinent prior art is on the art in which the "problem solvers" were engaged, rather than the "users" of the solution. *I.U. Technology Corporation v. Research-Cottrell, Inc.*, 641 F.2d 298, 303 (5th Cir. 1981). Moreover, analogous arts are to be included within the meaning of "prior art." *I.U. Technology Corporation*, *supra*, 641 F.2d at 304. The inquiry, however, is clearly factual. *Graham and Control Components*, *supra*.

It is difficult for me to see how trial or appellate judges—"users" at most (if that) of water beds—may determine as a matter of law the most pertinent prior art, when the actual problem solvers testified in this case to opposing effect as to this factual issue.

APPENDIX II.

Opinion of the District Court, N.D. Texas, Dallas Div.

District Court, N. D. Texas, Dallas Div.

May v. American Southwest Waterbed Distributors, Inc.
et al. No. CA-3-80-1075-D.

Decided May 13, 1982.

Action by Marvin I. May, against American Southwest Waterbed Distributors, Inc., and Frank Lucas, for patent infringement. On plaintiff's motion for entry of judgment, and defendants' motion for judgment n.o.v. or for new trial. Defendant's motion for judgment n.o.v. granted.

Joseph H. Golant, Thomas D. Phillips, and Romney Golant Martin Disner & Ashen, all of Los Angeles, Calif., and John DeLay, and Storey, Armstrong, Steger & Martin, both of Dallas, Tex., for plaintiff.

Kenneth Glaser, Robert Turner, and Hubbard, Thurman, Turner & Glaser, all of Dallas, Tex., for defendants.

Hill, District Judge.

Came on for consideration before the Court the motion for judgment notwithstanding the verdict or, in the alternative, for a new trial, filed by defendants American Southwest Waterbed Distributors, Inc., and Frank Lucas (collectively Lucas), and the motion for entry of judgment filed by Marvin I. May (May), plaintiff. Having considered the motions, briefs of the parties, and the record in this action, the Court is of the opinion that the motion for judgment notwithstanding the verdict should be granted and the motion for entry of judgment should be denied.

This action is over the validity of patent No. 3,973,282 (the '282 patent) issued to May and covering a water bed liner holder. At trial, Lucas admitted that his device in-

fringed the '282 patent claims in issue, but he has continued to press his contention that the '282 patent is invalid because the patented device would have been obvious to one skilled in the art.

*When It Rains * * **

A principal concern of the water bed industry is preventing leakage from the mattress, and containing the water should the mattress rupture. A water bed holds a large amount of water and should the water mattress rupture, there is a likelihood of substantial water damage to other furniture as well as to the building structure. This problem was especially acute in the early years of the water bed industry. The bulk of the industry efforts were devoted to methods of assuring the integrity of the water bed mattress, and great improvements have been made, especially in the area of stronger mattress seams.

Every Cloud Has a Silver Lining

Since there is a possibility that even the best mattress may rupture, there must be some method of containing any leakage that might occur. The usual method of containment involves a plastic liner which is attached to the inside of the water bed frame over which the water mattress is then placed. The '282 patent covers a plastic device used to hold the plastic liner near the top of the inside of the frame. There were a substantial number of methods for securing the liner to the same area of the frame in existence prior to the development of the device covered by the '282 patent. The main advantages of May's device are that it is easily installed, easy to use, and does not damage the liner. As evidenced by the substantial sales over the last six years, May's device made quite a splash in the industry.

Is the '282 Patent Leakproof?

[1] Under 35 U.S.C. §282 all patents are presumed to be valid. Thus, before a patent may successfully be challenged, the statutory presumption of validity must first be overcome. In order to rebut the presumption of validity, the party seeking to torpedo the patent must show that the Patent Office failed to consider pertinent prior art at the time it made its evaluation. *Reed Tool Co. v. Dresser Industries, Inc.*, 672 F.2d 523, 526, 214 USPQ 501, 503-04 (5th Cir. 1982); *Ludlow Corp. v. Textile Rubber & Chemical Co.*, 636 F.2d 1057, 209 USPQ 281 (5th Cir. 1981). The evidence offered must not be cumulative and must be more than a preponderance, with any doubts resolved against the attacking party. *Id.*

A determination must therefore be made as to what constitutes the "pertinent" prior art against which the obviousness vel non of the '282 patent is to be measured. *I.U. Technology Corp. v. Research-Cottrell, Inc.*, 641 F.2d 298, 302 (5th Cir. 1981). May argues that the most pertinent prior art is the field of bedding fasteners. Lucas, in turn, contends it is the total field of clips, fasteners and holders.

[2, 3] To resolve this issue, the Court must look to the art within which the inventor was working at the time of the invention. In *re* Application of Grout, 377 F.2d 1019, 1021-22, 153 USPQ 742, 743-745 (CCPA 1967). The focus of inquiry is on the problem solver and not the user of the solution; i.e., it is the subject matter of the invention and not the field or industry which might thereafter have a use for the invention which must be looked to. *I.U. Technology*, 641 F.2d at 303; *Systematic Tool & Machine Co. v. Walter Kidde & Co.*, 555 F.2d 342, 349 (3d Cir.), cert. denied, 434 U.S. 857 (1977). Furthermore, if the elements and purposes of one art are so related and are so similar to those

of another art as to make an appeal to one skilled in such art, the two arts are analogous, and both arts must be looked to in determining the field of art to which the patent pertains. *I.U. Technology*, 641 F.2d at 304-05; *Cathodic Protection Service v. American Smelting & Refining Co.*, 594 F.2d 499, 505-06, 203 USPQ 102, 106-08 (5th Cir.), cert. denied, 444 U.S. 965, 204 USPQ 88 (1979); *Aerotech Industries of Calif. v. Pacific Scientific Co.*, 381 F.2d 795, 802, 155 USPQ 52, 57 (9th Cir. 1967), cert. denied, 389 U.S. 1049, 156 USPQ 720 (1968).

[4] Applying these principles, there can be no doubt that the field of fasteners and holders is the most pertinent prior art to which the patent pertains. May's invention relates to a means of fastening or holding a water bed liner to a water bed frame. While May claims that it solved a problem related to a bed, so that the most pertinent art should be bedding fasteners, the nature of holding a water bed liner naturally calls for the talents of one skilled in the art of fasteners, and holders. See *In re Grout*, 377 F.2d at 1022, 153 USPQ at 744-45. This conclusion is confirmed by a continuation patent application filed by May on a nearly identical water bed liner holder in which the device is described as providing a simple holder for mounting valances, ruffles, draperies, window treatments or for holding memos, notes, or other pieces of paper, as well as holding water bed liners.

Having determined that the sea from which pertinent prior art is to be fished is fasteners and holders, it remains to be determined if the Patent Officer failed to examine pertinent prior art sufficient to rebut the presumption of validity enjoyed by the '282 patent. Lucas cites to eight patent references in the record which were not considered by the patent ex-

aminer.¹ These patent references disclose clip-type holders, which in conjunction disclose all of the significant features claims in '282 patent. In addition, a picnic table cloth clip existing prior to the '282 patent was introduced at trial. (Plaintiff's Exhibit No. 97). This clip is made of plastic, capable of being elongated, with a bottom portion to be secured to the table, a center curved portion with space for storage, and an upper portion which presses against the table to keep the table cloth in place.

In contrast, the patent examiner did not examine any prior art references involving resilient, clip-type fasteners, designed to releasably retain a flexible object against a support surface, although other devices for holding a water bed liner were examined, including liner tape, tack strips, t-molding, cap rails, and a matchbook-like holder. Because the patent examiner failed to consider pertinent prior art, and the prior art that was considered was of a different kind and substantially less relevant, the presumption of validity in this case must be regarded as none-existent.

Obviousness

[5] The ultimate question of patent validity is one of law, but the determination of obviousness depends upon three factual inquiries. *Graham v. John Deere Co.*, 383 U.S. 1, 17, 148 USPQ 459, 466-67 (1966). The factual inquiries are: (1) the scope and content of the prior art; (2) the differences between the prior art and the claims at issue; and (3) the level of ordinary skill in the art. *Id.*; *Reed Tool Co.*, 672 F.2d at 527, 214 USPQ at 504-05. In *Lear Inc. v. Adkins*, 395 U.S. 653, 676, 162 USPQ 1, 10 (1969), the Supreme Court referred to the test in *Graham* as a "de-

¹Brown 951,052; Concannon 2,400,058; Brewster 769,588; Burke 1,154,371; Fricker 1,696,908; Simon 841,589; Kost 2,154,046; and Borisof 3,309,052.

manding standard of invention." Lear and its progeny reiterate the proposition that there is an important public interest in the elimination of specious patents. See *Id.* at 664, 162 USPQ at 5-6; *Steelcase, Inc. v. 664*, 162 USPQ at 5-6; *Steelcase, Inc. v. Delwood Furniture Co.*, 578 F.2d 74, 76 (5th Cir. 1978).

[6] The jury in this action found that the patent was not obvious. In making this determination, the jury was instructed to make the following determinations:

- (1) The field of art to which the patent pertains;
- (2) the level of ordinary skill of those who worked in the field of art at the time of the invention;
- (3) the difference between the claimed invention and prior art; and
- (4) then, whether the claimed invention would have been obvious to one of ordinary skill in the art to which the patent pertains at the time the invention was made.

The factual determination required by *Graham* are implicit in the jury's verdict. *Control Components, Inc. v. Valtek, Inc.*, 609 F.2d 763, 767, 204 USPQ 785, 788-89 (5th Cir. 1980). It is presumed that the disputed matters of fact have been resolved favorably to the prevailing party in accordance with the instructions given to the jury. *Id.*² The implicit

²In *Control Components*, Judge Rubin filed an opinion concurring in the result of the finding that the patent was non-obvious, but disagreeing in the approach taken by the majority in their apparent approval of a general jury verdict supported by implicit factual findings. *I.U. Technology*, decided after *Control Components*, also involved a general jury verdict (although of obviousness), but the approach taken by that panel in that case differed substantially from that in *Control Components*. While acknowledging that the ultimate question of validity rests on the tripartite factual inquiries of *Graham*, the focus was on the determinations made by the trial judge. See, e.g., *I.U. Technology*, 641 F.2d at 305-306. No reference was made to implicit jury findings to be sustained if supported by substantial evidence. Instead, the trial judge's findings were apparently reviewed under the clearly erroneous standard. *Id.* at 306. Because there is clearly a factual component involved in this action, and this is a motion for judgment n.o.v., the Court will adhere to the rule of *Control Components* that no implied jury finding be disregarded if supported by substantial evidence. No such evidence is present in this action.

factual determinations must be upheld if substantial evidence exists to support them. *Id.*; *Boeing Co. v. Shipman*, 411 F.2d 365, 374-75 (5th Cir. 1969) (en banc). The Court then determines the ultimate question of patent validity on the results of the factual findings that are supported by substantial evidence. *Control Components*, 609 F.2d at 767, 204 USPQ at 788-89; *Swofford v. B & W, Inc.*, 395 F.2d 362, 368, 158 USPQ 72, 76 (5th Cir. 1968).

[7] May asserts that the basis of Lucas' entire argument that the device is obvious is false because Lucas has not produced a prior art reference that shows all of the elements of May's device performing the same functions in the same way to achieve the same results. This argument has no merit. A device may be obvious even though the invention is not identically disclosed in the prior art, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter pertains. *Robbins Co. v. Dresser Industries, Inc.*, 554 F.2d 1289, 1290, 194 USPQ 409, 410-11 (5th Cir. 1977). The mere fact that the device was the first to incorporate all of the features that made it a commercial success does not mean it was patentable as beyond the obvious. *Steelcase, Inc.*, 578 F.2d at 80. Similarly, patentability cannot rest on the discovery of a new use for a device with structural elements substantially similar to ones well known in the art, when the device could be easily put to such use by reason of its intrinsic properties. *Gould-National Batteries, Inc. v. Gulton Industries, Inc.*, 361 F.2d 912, 914, 150 USPQ 77, 78-79 (3d Cir. 1966). Obviousness, then, can be found from the teachings of the whole of the prior art and the improvements on those teachings that would be obvious to the hypothetical person of ordinary skill in that art. *Steelcase, Inc.*, 578 F.2d at 79.

Only claims 1, 2, 4, 5, 7, 10, 11 and 12 of May's patent are in issue here.³ The scope of the inventions is defined by these claims. *Smith v. Snow*, 294 U.S. 1, 11, 24 USPQ 26, 30 (1934); *Arbrook, Inc. v. American Hospital Supply*

These claims provide:

1. A liner holder to be attached to a frame of a water bed along its interior surface for restraining a waterproof liner placed within the interior of the frame, the liner forming with the frame a safety reservoir should the water bed rupture, the holder comprising:

a base of resilient material, said base being bowed to form with said frame a space for storage of a portion of said liner;

a leg portion connected to said base for bearing against said frame secure said holder in place; and

a head portion connected to said base for bearing against said frame, with said liner being receivable between said head portion and said frame.

2. A holder as claimed in claim 1 wherein said base, said leg portion and said head portion are integral and said holder is elongated.

4. A holder as claimed in claim 2 wherein said head portion is placed in an overstressed condition when said holder is properly located relative to the frame for creating a biasing force against said frame.

5. A holder as claimed in claim 2 wherein said leg is vertically disposed.

7. A holder as claimed in claim 2 including fastening means cooperating with said leg portion for connecting said frame and said holder.

10. A liner restrainer for use with a water bed liner to secure said liner in a desired position with a frame, said restrainer comprising:

a resilient element having a bottom portion for positioning said restrainer, a top portion biased to apply a force against said liner and said frame, and a central portion outwardly extending to provide a space between the central portion and said frame.

11. A liner restrainer as claimed in claim 10 wherein said element is approximately three inches in height and said top portion is offset horizontally approximately $\frac{1}{8}$ inch when in an operative position relative to said frame whereby said bias is achieved by said offset.

12. A liner restrainer for use with a water bed liner to secure said liner in a desired position within a frame said restrainer comprising:

a flexible element having a bottom portion for locating said restrainer, a top portion over which said water bed liner is draped and a central portion integrally connecting said bottom and top portions, said element being placed generally upright along an interior surface of said frame which receives said liner within the frame while the edges of said liner extend parallel to a first side of said element loop over the top portion of said element and extend parallel to an opposite second side of said element whereby said liner edges are held in place within the frame.

Corp., 645 F.2d 273, 276, 210 USPQ 84, 87-88 (5th Cir. 1981). Figures 1 and 2 below respectively show May's holder attached to the inside of the frame and a cross section of the holder showing the arrangement of its three major sections: the bowed base, labeled A; the leg portion, labeled B; and the head portion, labeled C.

FIG. 1.

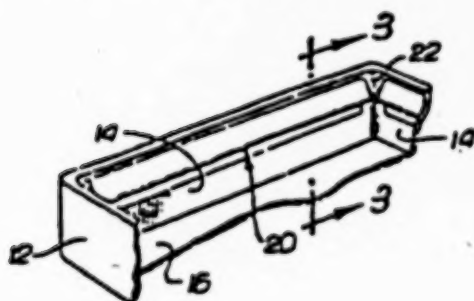
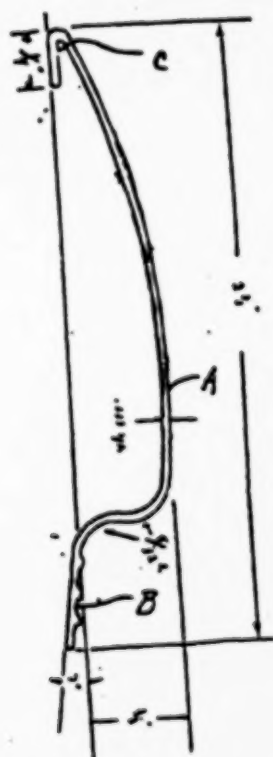


FIG. 2



Scope and Content of Prior Art

The Court has already determined that the relevant prior art is the field of holders and fasteners. It would, in fact, be fundamental error to disregard prior art in this area. See

Cathodic Protection Service, 594 F.2d at 507, 203 USPQ at 108; I.U. Technology, 641 F.2d at 304. The scope and content of this prior art is one of the factual inquiries upon which the implicit jury finding is controlling if supported by substantial evidence.

The prior art submitted by Lucas is extremely relevant. Not only is it from the field of fasteners and holders, but it also discloses the same functional or structural features that May claims in his patent. For example, a resilient clip-type holder for releasably retaining a stack of paper against a support surface as a consequence of the biasing force of the holder is disclosed. E.g. the Brown patent. Placing a clip in an overstressed condition by building in an offset is disclosed. E.g. the Brewster, Burke, Kost and Fricker patents. A base of resilient material with a bowed base for storage is disclosed. E.g. the Brown patent. A leg portion connected to the base to help secure the holder in place is disclosed. E.g. the Brewster and Simon patents. Finally, most of the functional elements of May's patent are synthesized in the picnic table cloth clip introduced into evidence.⁴ In addition, the picnic table cloth clip is made of plastic, would not rip

⁴May makes much of the individual differences between the picnic table cloth holder and his device. First, he argues that there is no biased head portion. However, there is no dispute that the part of the clip opposite the leg is biased against the support surface when the table cloths inserted. Second, there is no middle bowed base. The bow, however, is not a critical feature: claim 1 provides that the base is bowed to provide space for storage of a portion of the liner. To use May's words, the picnic table cloth clip has a "large, gently curved end," which naturally creates a space for storage of excess material. Finally May argues that there is no vertical alignment. To state the obvious, the picnic table cloth holder is made to hold a picnic table cloth; the sides of a picnic table are narrow, requiring the leg to be attached horizontally. May's clip is used to hold a water bed liner to the inside of a water bed frame. The frame is vertical, and deep enough to accommodate the holder, therefore it naturally has a vertical alignment. It can hardly be argued that this difference represents the kind of inventive innovation subject to protection under the patent laws.

a water bed liner, and can easily be elongated.

There is no substantial evidence justifying excluding holders and fasteners not used in conjunction with a bed. Because the patents and other prior art cited by Lucas are highly relevant, they should be included within the scope and content of the prior art.

Differences Between the Prior Art and the Claims at Issue

[8] Obviousness is established when features that distinguish the potential device from the closest prior art reference are disclosed in analogous structures in which these functions perform an identical function. *Catholic Protection Service*, 594 F.2d at 510, 203 USPQ at 110-11. More ingenuity, skill, and innovation is required of the inventor than would be expected from the ordinary mechanic acquainted with the business. *Robbins*, 554 F.2d at 1294, 194 USPQ at 413-14. Once the art to which the ordinary skilled person is widened to include other resilient-type clip holders outside of bedding fasteners, it is manifest that the claims here are obvious; they simply do not describe a holder that performs functions different from those performed by the prior art. See *Catholic Protection Service*, 594 F.2d at 511, 203 USPQ at 111-12.

The differences between May's device and the prior art are minimal. See Note 4 and accompanying text, *supra*. Evidence in the record, especially the testimony of the expert in the field of fasteners and holders offered by Lucas, established that any differences can be attributed to the work of a skilled mechanic rather than an inventor. May simply combined mechanical principles, well known in the field and previously disclosed in the prior art, to hold a water bed liner. The use of basic engineering principles, in developing a method for holding a water bed liner, where there is no change in the respective functions of the elements

of combination is the work of a skillful mechanic rather than the inventor. Robbins, 554 F.2d at 1295, 194 USPQ at 414.

Level of Ordinary Skill

[9] The obviousness of the patent must be tested in the light of the hypothetical individual possessing ordinary skill in the relevant prior art. Whitley v. Road Corp., 624 F.2d 698, 701, 207 USPQ 369, 371 (5th Cir. 1980). The level of ordinary skill in turn rests on a preliminary determination of what prior art is to be used by the hypothetical person. Cathodic Protection Service, 594 F.2d at 512, 203 USPQ at 112-13. This preliminary determination has already been made in favor of the field of holders and fasteners. As previously mentioned, May contends that the prior art cited by Lucas is not in the pertinent prior art because it was not used in conjunction with a bed. This same argument confronted the Supreme Court in Graham when the patentee of a pump sprayer invention argued that a particular patent was not in the pertinent prior art because it related to containers having pouring spouts rather than pump sprayers. The Supreme Court easily disposed of this argument (and the patent) in stating that

“[t]he problems confronting [the patent holder] and the insecticide industry were not insecticide problems; they were mechanical closure problems. Closure devices in such a closely related art as pouring spouts for liquid containers are at the very least pertinent references.”

Graham, 383 U.S. at 35, 148 USPQ at 473-74.

[10] The hypothetical person is a mechanically skilled individual familiar with the design of devices in the industry and the basic mechanical and engineering principles underlying those devices. See Cathodic Protection Services,

594 F.2d at 512-13, 203 USPQ at 112-14; Robbins, 554 F.2d at 1295, 194 USPQ at 414. This theoretical person of ordinary skill is also charged with knowledge of all that the prior art disclosed at the time of the invention, regardless of whether persons of ordinary skill in the field, or he himself, or anyone else, actually possessed such all-encompassing familiarity with prior disclosures. *Cool-Fin Electronic Corp. v. International Electronic Research Corp.*, 491 F.2d 660, 180 USPQ 481 (9th Cir. 1974). In addition, it is not merely what prior art naturally teaches, but what it suggests to one of ordinary skill in the art at the time of invention. *Application of Lamberti*, 545 F.2d 747, 192 USPQ 278 (CCPA 1976). See *Reed Tool Co.*, 672 F.2d at 528, 214 USPQ at 505.

Applying these principles, there can be no doubt that the subject of the '282 patent would have been obvious to one of ordinary skill in the art. All of the features are disclosed in the prior art or would be readily apparent from an examination of the prior art by one of ordinary skill in the art to which the patent pertains.

Secondary Considerations

Finally, May urges that secondary considerations such as commercial success, long felt but unsolved needs, and the failure of others to invent a similar water bed holder indicate that his device was nonobvious. The evidence, however, does not support this contention.

[11] Prior to 1975, the year in which May developed his device, there was no widespread, long felt need for such a liner holder. May testified at his deposition that prior to 1975 the water bed industry as a whole thought that the liner retention problem had been solved and that probably 99% of the people thought that tack stripping was a sufficient solution. Similarly, Lucas' expert in the water bed industry

testified that prior to 1975, 95% of the people in the industry were satisfied with the then existing methods of fastening water bed liners to the frames and that there was no demand for innovation in the area. This evidence demonstrates that there was no long felt need in the water bed industry for a solution to the problem of fastening the water bed liner, and also helps to explain why no one else developed such a liner holder from the prior art: very few people were looking for such a device. No matter how much acclaim a device may later receive as an innovation, if the elements comprising the invention are disclosed in the prior art, it is irrelevant that no one previously availed himself of the knowledge. I.U. Technology, 641 F.2d at 306 n. 8.

[12] Commercial success is relevant to the question of nonobviousness, but will not alone satisfy the requirement of nonobviousness. *Huron Machine Products, Inc. v. A. & E. Warbern, Inc.*, 615 F.2d 222, 225, 205 USPQ 777, 779-80 (5th Cir. 1980). Where analysis of the three major Graham factors unequivocally demonstrate that the design in question was obvious before it was patented, commercial success does not impact on the resolution of the issue. *Whitely*, 624 F.2d at 701, 207 USPQ at 371.

Conclusion

May's claim of damages for infringement floats on the validity of his patent. The Court has determined that under the evidence in this action and the applicable legal principles May's patent fails to hold water, because the patented device would have been obvious to an individual with ordinary skill in the art to which the patent pertains, even though the device effectively serves as a water bed liner holder. Finally, the Court notes that during the trial of this action, defense counsel on numerous occasions referred the Court and jury to the clip attached to ball point pen he carried. Such clips

have been common features on many pens for many years and, as is common knowledge, are used to hold the pen to some surface, normally a pocket. The Court takes judicial notice that if you take such a pen with an attached clip, turn the pen upside down, and then elongate the clip horizontally, May's device is revealed. It only remains to attach this clip to the inside of a water bed frame to duplicate May's device. The motion for judgment notwithstanding the verdict should be granted.

Lucas has requested that he be awarded attorney's fees pursuant to 35 U.S.C. §285. The Court does not find this to be such an exceptional case that an award of attorney's fees is justified. Therefore, the request for attorney's fees should be denied.

Accordingly, it is *Ordered* that

- (1) the motion for judgment notwithstanding the verdict filed by Lucas be granted and a judgment entered in accordance with this Order;
- (2) the motion for entry of judgment filed by May be denied;
- (3) the request for attorney's fees pursuant to 35 U.S.C. §285 filed by Lucas be denied.

APPENDIX III.

In the United States Court of Appeals for the Fifth Circuit.

Marvin I. May, Plaintiff-Appellant, versus American Southwest Waterbed Distributors, Inc., a Texas corporation, and Frank Lucas, an individual, Defendants-Appellees.

Filed: October 24, 1983.

Appeal from the United States District Court for the Northern District of Texas.

On Petition for Rehearing and Suggestion for Rehearing En Banc (Opinion September 26, 1983, 5 Cir., 1983, ___ F.2d ___) (OCTOBER 24, 1983).

Before GEE, GARZA and TATE, Circuit Judges.

PER CURIAM:

✓ The Petition for Rehearing is DENIED and no member of this panel nor Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc, (Federal Rules of Appellate Procedure and Local Rule 35) the Suggestion for Rehearing En Banc is DENIED.

ENTERED FOR THE COURT:

/s/ Thomas Gill, Jr.

United States Circuit Judge

TATE, Circuit Judge, dissents.